YOUR PENSION
GEAPS Pension Scheme

Implementation Statement, covering the Scheme Year from 1 April 2022 to 31 March 2023

The Trustee of the GEAPS Pension Scheme (the "Scheme") is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the voting and engagement policies in its Statement of Investment Principles ("SIP") during the Scheme Year. This is provided in Section 1 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, Trustees (including the most significant votes cast by Trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 3 below.

In preparing the Statement, the Trustee has had regard to the guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions ("DWP's guidance") in June 2022.

1. Introduction

The Scheme's SIP was updated in January 2023, to mainly reflect changes to the Scheme's strategic allocation following an agreement between the Trustee and the Sponsor of the Scheme to move to a lower risk strategy. However, there were no changes made to the voting and engagement policies in the SIP during the year. As part of the recent update, the Sponsoring employer was consulted and confirmed it was comfortable with the changes.
The SIP can be viewed by following the link below:

https://www.geapspensionscheme.com/

The voting and engagement policy, as outlined in the SIP states that: "The Trustee recognises its responsibilities as owners of capital, and believes that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments. The Trustee has delegated to its investment managers the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, risks and ESG considerations. The Trustee does not monitor or engage directly with issuers or other holders of debt or equity. It expects the investment managers to exercise ownership rights and undertake monitoring and engagement in line with the managers' general policies on stewardship, as reported to the Trustee from time to time, taking into account the long-term financial interests of the beneficiaries. The Trustee and Fiduciary Manager have limited influence over managers' stewardship practices where assets are held in pooled funds, but encourage managers to improve their practices where appropriate."

The Trustee has, in its opinion, followed the Scheme's voting and engagement policies during the Scheme Year, by continuing to delegate to its fiduciary manager, State Street Global Advisors ("SSGA"), and the underlying investment managers, the exercise of voting rights and engagement activities in relation to investments, as well as seeking to appoint managers that have strong stewardship policies and processes. The following Sections provide detail and commentary about how and the extent to which they have done this. SSGA's implementation of the Scheme's SIP is overseen by the Trustee's strategic investment consultant, Lane Clark & Peacock ("LCP").

The Trustee updated its Responsible Investment ("RI") policy during the Scheme Year, in June 2022. This policy sets out the Trustee's expressed beliefs and objectives relating to Environment, Social and Governance ("ESG") factors, including climate change, asset stewardship, and consideration of non-financial matters.

The Trustee maintains an 'RI roadmap', which outlines the project plan for various RI and climate change training over the Scheme Year and beyond. The Trustee also monitors a dashboard outlining the required actions and progress to prepare the Scheme for the new requirement to comply with the Task Force on Climate-Related Financial Disclosures ("TCFD"). As at the Scheme Year end, the Scheme is on track to comply with the upcoming TCFD reporting requirements.

The Trustee has, in its opinion, followed all of the policies in the Scheme's SIP during the Scheme Year. The following Sections provide detail and commentary about how and the extent to which it has done so.

2. Voting and engagement

As part of its role in the selection and ongoing review of the investment managers, SSGA incorporates its assessment of the nature and effectiveness of managers' approaches to voting and engagement.

SSGA produces bespoke semi-annual ESG reports for the Trustee, outlining the RI scores for all of the Scheme's underlying managers and providing examples of engagements. In addition, every manager is asked to state its ESG philosophy and is subsequently assigned an ESG rating by SSGA.

SSGA uses 'R-Factor', a proprietary RI scoring mechanism, to guide its engagement efforts with each manager. R-Factor scores draw on multiple data sources and leverage off widely accepted materiality frameworks from the Sustainability Accounting Standards Board ("SASB") and corporate governance codes to generate an ESG score for listed companies. Through SSGA's R-Factor scores, companies with low scores can be regularly monitored and engaged with via the investment managers.

SSGA monitors each investment manager's engagement with individual companies, as well as engaging directly with appointed investment managers who own companies with low R-Factor scores. As part of investment due diligence, SSGA assesses the ESG policies and distinct practices of its investment partners and direct investments, leveraging industry standards and techniques to evaluate ESG data across asset classes to evaluate financially material factors for the investment portfolios. SSGA does not take into account stewardship directly when deciding whether to retain investment managers.

All scores and engagement activities are reported to the Trustee in SSGA's semi-annual ESG reports. Over the year to 31 December 2022, SSGA engaged with 413 listed companies in which the Scheme was invested.

Following the introduction of the Department of Work and Pension's ("DWP") guidance, the Trustee agreed to set stewardship priorities to focus monitoring and engagement activities with its investment managers on specific ESG factors. At its March 2023 meeting, the Trustee discussed and agreed the following stewardship priorities for the Scheme: Climate change, Human rights and Corporate transparency. SSGA will communicate these priorities with the managers during the next Scheme Year.

The Trustee is conscious that RI, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements over time.

3. Description of voting behaviour during the Scheme Year

The Trustee's investments in listed equities are held both within pooled funds and dedicated, segregated accounts, overseen by SSGA. The Trustee has delegated to SSGA, and by extension the underlying investment managers, the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee itself has not used proxy voting services over the Scheme Year.

In this section we have sought to include voting data in line with the Pensions and Lifetime Savings Association ("PLSA") guidance, on the Scheme's investments that held listed equities at the end of the Scheme year:

- Arrowstreet Global Equity Fund
- Independent Franchise Partners Global Equites
- SSGA Global Equities Passive
- WCM Quality Global Growth Fund
- Lindsell Train Global Equity Fund
- RBC Emerging Markets Equity Fund

In addition to the above, the Trustee contacted the Scheme's other asset managers that don't hold listed equities to ask if any of the assets held by the Scheme had voting opportunities over the period. Commentary provided from a subset of these managers, where available, is set out in Section 3.4.

3.1 Description of the voting processes

For assets with voting rights, the Trustee relies on the voting policies that its managers have in place. The Trustee set its stewardship priorities in March 2023, and intends to review its managers' voting and engagement policies against these priorities in the next Scheme Year.

The comments below have been provided by the Scheme's managers:

Arrowstreet:

Arrowstreet outsources all proxy voting services to Institutional Shareholder Services (ISS).

Independent Franchise Partners ("IFP"):

IFP considers voting as one of its key responsibilities as a long-term shareholder and as an important means of holding managements accountable. IFP votes at all company meetings. Its investment team is responsible for its voting decisions. In practice, this means that the lead investor for each stock decides how IFP votes for each company, with input from its ESG analyst and other members of the team. This structure means that IFP evaluates each resolution in the broader context of the company's challenges and opportunities. IFP believes this results in more informed voting decisions. IFP's voting policy provides a framework to ensure consistency of voting decisions.

IFP's voting decisions are based on its own views and investment research. IFP receives voting research and recommendations from ISS, but this is purely advisory.

State Street Global Advisors ("SSGA"):

As an investment manager, SSGA has discretionary proxy voting authority over most of its client accounts. SSGA carefully votes these proxies in the manner that will protect and promote the long-term economic value of its client investments.

SSGA's Stewardship team's activities are overseen by its ESG Committee who are responsible for reviewing its stewardship strategy, engagement priorities and proxy voting guidelines, and monitors the delivery of voting objectives. In addition, SSGA's ESG Committee provides oversight of its Stewardship team, reviews departures from its proxy voting guidelines, and reviews conflicts of interest involving proxy voting.

SSGA enhances the services provided by its in-house resources through third-party service providers. The most notable of these are third-party data providers such as ISS, who are utilised to assist SSGA with managing the voting process at shareholder meetings. In the voting process, SSGA uses ISS to help it monitor its voting rights across the asset classes in which SSGA invests. It employs ISS to:

- Act as SSGA's proxy voting agent (providing vote execution and administration services);
- Assist in applying SSGA's voting guidelines;
- Provide research and analysis relating to general corporate governance issues and specific proxy items; and
- Provide proxy voting guidelines in limited circumstances.

SSGA's Stewardship team reviews its Proxy Voting Guidelines with ISS on an annual basis or on a case- by-case basis as needed. ISS affects the proxy votes in accordance with its Proxy Voting Guidelines. Voting matters that are nuanced or that require additional analysis are referred to and reviewed by members of SSGA's Stewardship team. Members of the Stewardship team evaluate the proxy solicitation to determine how to vote based on facts and circumstances consistent with the Proxy Voting Guidelines, which seek to maximize the value of client accounts.

As an extra precaution, the Stewardship team will refer significant issues to the ESG Committee for a determination of the proxy vote. In addition, other measures are put in place in terms of when and whether or not to refer a proxy vote to the ESG Committee. For instance, the Stewardship team takes into account whether a material conflict of interest exists between clients and those of the firm or its affiliates. If such a case occurs, there are detailed guidelines for how to address this concern.

SSGA aim to vote at all shareholder meetings where its clients have given them the authority to vote their shares and where it is feasible to do so. However, when it deems appropriate, SSGA could refrain from voting at meetings in cases, as listed below, where:

- Power of attorney documentation is required;
- Voting will have a material impact on its ability to trade the security;
- Voting is not permissible due to sanctions affecting a company or individual; or
- Issuer-specific special documentation is required or various market or issuer certifications are required.

SSGA is unable to vote proxies when certain custodians, used by its clients, do not offer proxy voting in a jurisdiction or when they charge a meeting specific fee in excess of the typical custody service agreement.

SSGA votes at over 20,000 meetings on an annual basis and prioritises companies for review based on factors including the size of its holdings, past engagement, corporate performance, and voting items identified as areas of potential concern. Based on this assessment, SSGA will not only allocate appropriate time and resources to shareholder meetings, but will also assign specific ballot items of interest to ensure maximization of value for its clients.

All voting decisions are exercised exclusively in accordance with SSGA's in-house policies and/or specific client instructions. SSGA has established robust controls and auditing procedures to ensure that votes cast are executed in accordance with SSGA instructions. Transparency on these key issues is vital at SSGA. In this regard, SSGA publishes a record of its global voting activity on the Asset Stewardship section of its website.

WCM Investment Management ("WCM"):

WCM uses Glass Lewis for its proxy voting services.

Lindsell Train Limited ("LTL"):

The primary objective of the voting policy of LTL is to protect or enhance the economic value of the investments it has made on behalf of its clients. LTL will vote against any agenda item that threatens this economic value, in particular when it has concerns over inappropriate management remuneration or incentives, changes in capital structure and mergers or acquisitions which are seen as detrimental to the creation of business value.

Where LTL has delegated voting authority from its clients, LTL recognizes that the exercise of these voting rights is a fiduciary duty that must be exercised with skill, care, prudence and diligence.

LTL believes that proxy voting forms an important part of its investment process and proactive company engagement strategy. LTL's Portfolio Managers maintain final decision-making responsibility for all votes, based on their detailed knowledge of the companies in which they invest. LTL has appointed an independent proxy agent, Glass Lewis to assist with the administration of the proxy voting process. LTL's Investment Team use Glass Lewis' Viewpoint platform to process votes and provide enhanced reporting to their clients. Additionally, Glass Lewis provides supplementary research and analysis. LTL will give consideration to Glass Lewis' own voting recommendations but will not necessarily support their position if it is not viewed by LTL as in the best interests of its clients. Voting authority remains with LTL, with the exception of receiving specific client instructions.

LTL votes on behalf of its clients in accordance with its own Proxy Voting Guidelines which govern, under each voting category, whether to vote For, Against or Abstain. These guidelines are approved collectively by the Portfolio Managers and they are reviewed semi-annually.

RBC:

RBC's internal expertise and leading independent research firms has established its Proxy Voting Guidelines to govern the exercise of its voting rights. RBC reviews and updates its Guidelines on an ongoing basis as corporate governance best practices evolve.

RBC's Guidelines are published for the information of its clients and to assist issuers in understanding the message it has sent or intends to send through the exercise of proxy voting rights.

While RBC will generally vote proxies in accordance with the Guidelines, there may be circumstances where it believes it is in the best interests of its clients for it to vote differently than as contemplated by the Guidelines, or to withhold a vote or abstain from voting.

In the event of a perceived or actual conflict of interest involving the exercise of proxy voting rights, RBC follows procedures to ensure that a proxy is exercised in accordance with its Guidelines, uninfluenced by considerations other than the best interests of its portfolios.

3.2 Summary of voting behaviour

A summary of voting behaviour over the Scheme Year is provided in the table below. Some percentages may not sum to 100% due to rounding.

	Arrowstreet	IFP	SSGA
Fund name	Global Equity Fund	Global Equities	Global Equities Passive
Total size of fund at end of the Scheme Year	£120.6m	£74.2m	£803.5m
Value of Scheme assets at end of the Scheme Year (£ / % of total assets)	£52.2m	£37.3m	£34.4m
Number of equity holdings at end of the Scheme Year	194	26	2,115
Number of meetings eligible to vote	291	31	2,323
Number of resolutions eligible to vote	3,836	544	29,804
% of resolutions voted	91.1%	100.0%	99.5%
Of the resolutions on which voted, % voted with management	90.8%	91.9%	90.2%
Of the resolutions on which voted, % voted against management	9.2%	5.9%	9.8%
Of the resolutions on which voted, % abstained from voting	0.6%	2.2%	0.4%
Of the meetings in which the manager voted, % with at least one vote against management	45.1%	58.1%	58.6%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	0.0%	9.0%	8.0%

	WCM	LTL	RBC
Fund name	Quality Global Growth Fund	Global Equity Fund	Emerging Markets Equity Fund
Total size of fund at end of the Scheme Year	£14,258.2m	£5,636.0m	£522.3m
Value of Scheme assets at end of the Scheme Year (£ / % of total assets)	£27.1m	£20.2m	£6.8m
Number of equity holdings at end of the Scheme Year	37	24	46
Number of meetings eligible to vote	112	23	70
Number of resolutions eligible to vote	501	316	655
% of resolutions voted	99.6%	100.0%	98.6%
Of the resolutions on which voted, % voted with management	94.4%	97.1%	91.4%
Of the resolutions on which voted, % voted against management	5.2%	1.6%	8.6%

Of the resolutions on which voted, % abstained from voting	0.4%	1.3%	0.2%
Of the meetings in which the manager voted, % with at least one vote against management	35.6%	17.4%	38.6%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	n/a	n/a	1.5%

3.3 Most significant votes

Commentary on the most significant votes over the Scheme Year, from the Scheme's asset managers who hold listed equities, is set out below.

The Trustee has interpreted "significant votes" to mean those that align with its stewardship priorities and may have the most significant financial impact for the Scheme. On this basis, the Trustee has selected a subset of the votes reported on by the managers for inclusion in this Statement. If members wish to obtain more investment manager voting information, this is available upon request.

Arrowstreet:

Arrowstreet was unable to highlight examples of 'most significant' votes over the year to 31 March 2023. The Trustee's investment advisors queried this with Arrowstreet, who provided the following response:

"Arrowstreet does not maintain an internal view as it relates to defining what votes qualify as 'significant votes."

Arrowstreet was able to provide examples of votes held against management but did not classify these as 'most significant'. We have shown an example below.

Petroleo Brasileiro SA. April 2022.

- **Summary of resolution:** Approve Remuneration of Company's Management and Fiscal Council.
- **Relevant stewardship priority:** Corporate Transparency.
- **Approx size of the holding at the date of the vote***:* Not provided by Arrowstreet.
- **Why this vote is considered to be most significant:** This resolution relates to a stewardship priority that has been set by the Trustee.
- **Firm management recommendation:** For **Fund manager vote:** Against
- **Rationale:** A vote against this proposal was warranted as the company's disclosure lacked transparency regarding key remuneration figures.
- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps**: Arrowstreet did not provide any commentary on next steps taken following outcome of the vote.

Independent Franchise Partners ("IFP"):

Alphabet Inc., June 2022.

- **Summary of resolution:** Report on climate lobbying.
- **Relevant stewardship priority:** Climate change.
- **Approx size of the holding at the date of the vote***:* 3.3%
- **Why this vote is considered to be most significant:** This resolution relates to a stewardship priority that has been set by the Trustee.
- **Firm management recommendation:** Against **Fund manager vote:** For
- **Rationale:** IFP think Alphabet's disclosure on direct lobbying is good, but a weakness is disclosure/knowledge

of the climate positions of Alphabet's trade associations. Alphabet's size means it will be a target for press articles on this. It is therefore sensible for Alphabet to ensure it isn't caught by surprise on this issue.

- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps**: Against. IFP will continue to monitor material risks related to this topic.

State Street Global Advisors ("SSGA"):

Hormel Foods Corporation, January 2023.

- **Summary of resolution:** Product toxicity and safety.
- **Relevant stewardship priority:** Human Rights.
- **Approx size of the holding at the date of the vote***:* 0.02%
- **Why this vote is considered to be most significant:** This resolution relates to a stewardship priority that has been set by the Trustee.
- **Firm management recommendation:** Against **Fund manager vote:** Against
- **Rationale:** SSGA voted against on the proposal as the company's disclosure and/or practices pertaining to the item are broadly in line with market standard but could be enhanced.
- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps**: Against. Where appropriate SSGA will contact the company to explain its voting rationale and conduct further engagement.

WCM Investment Management ("WCM"):

Visa Inc., January 2023.

- **Summary of resolution:** Shareholder proposal regarding independent chairman.
- **Relevant stewardship priority:** Corporate Transparency.
- **Approx size of the holding at the date of the vote***:* 3.6%
- **Why this vote is considered to be most significant:** This resolution relates to a stewardship priority that has been set by the Trustee.
- **Firm management recommendation:** Against **Fund manager vote:** Abstain
- **Rationale:** In light of the unclear aims of the proponent, WCM view an abstention as the best option for shareholders, as it allows them to indicate both opposition to the proposal on the basis of the identity of the proponent, as well as opposition to a leadership structure that includes a non-independent chair and CEO.
- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps**: WCM were unable to provide the outcome and next steps of the vote.

Lindsell Train Limited ("LTL"):

Unilever, April 2022.

- **Summary of resolution:** Various elections of executive members.
- **Relevant stewardship priority:** Corporate Transparency**.**
- **Approx size of the holding at the date of the vote***:* 6.3%
- **Why this vote is considered to be most significant:** This resolution relates to a stewardship priority that has been set by the Trustee.
- **Firm management recommendation:** For **Fund manager vote:** For
- **Rationale:** Engagement centred on the recent news of the appointment of an activist investor of Train Fund Management to its board as a non-executive director, after their purchase of 1.5% of Unilever's shares. As Trian's objectives are ostensibly in line with LTL's, it had no objection to the appointment.

- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps**: For. LTL have engaged with management on capital allocation and board appointments this year and concluded post these engagements to support the board in their decisions.

RBC:

<u>**Yum China Holdings, Inc., November 2022.**</u>

- **Summary of resolution:** Approve stock plan.
- **Relevant stewardship priority:** Corporate Transparency.
- **Approx size of the holding at the date of the vote***:* 2.9%
- **Why this vote is considered to be most significant:** This resolution relates to a stewardship priority that has been set by the Trustee.
- **Firm management recommendation:** Against **Fund manager vote:** Against
- **Rationale:** A vote against was warranted because the proposed options expire more than five years from the date of the grant, and non-employee directors are eligible to participate in the plan. The potential dilution of this plan is more than 10% of outstanding common stock, which raised concerns for RBC.
- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps**: For. RBC have stated that there are no implications following this vote and therefore no next steps required.

3.4 Votes in relation to assets other than listed equity

For the majority of the Scheme's holdings in assets other than listed equity, SSGA believes that voting is rarely applicable, given that voting rights are primarily the privilege of equity holders. The following comments were provided by the Scheme's asset managers which don't hold listed equities, but invest in assets that had voting opportunities during the Scheme Year:

Arcmont Senior Loan Fund I:

In terms of voting rights, Arcmont may be able to vote in limited instances where investments take on an equity element and shareholder voting rights are granted. However, for the overwhelming majority of Arcmont's equity positions, only minority stakes in voting shares are held in private companies with majority owners and Arcmont is not typically consulted on matters being put to shareholder vote, including ESG matters. From a commercial perspective, Arcmont instead relies on market-standard minority shareholder protections, which are essentially designed to ensure that Arcmont is treated in the same way as the majority shareholder.

M&G Fixed Interest Bond Fund:

Whilst voting rights are not applicable in the true stewardship sense, there may be occasions where there are consent for solicitation votes which the fund may participate in.

When considering resolutions, M&G looks to support management, but the ultimate decision will be determined by an assessment of the impact on its investment and the long-term interest of M&G's clients. In determining its vote, a number of factors will be taken into consideration, including its voting policy, company specific information and the extent to which M&G has been able to obtain any additional information required to make an informed decision.

M&G will vote against proposals that compromise its clients' interests. It may not vote in favour of resolutions where M&G is unable to make an informed decision on the resolution because of poor quality disclosure or due to an unsatisfactory response to questions on specific issues. M&G would always seek to discuss any contentious resolutions with company management before casting votes, in order to ensure that its objectives are understood. However, M&G considers it unnecessary to inform investee companies ahead of meetings of routine capital management resolutions that it typically opposes, as its position is clearly disclosed.

Any shares on loan may be recalled whenever there is a vote on any issue affecting the value of shares held, or any issues deemed to be material to the interests of its clients.

Vitruvian Investment Partnership IV:

All votes are instructed by Vitruvian's operations team based in Luxembourg and executed via ProxyEdge a Broadridge solution. Any key ESG related votes are reviewed by the ESG team and debated where necessary prior to instruction. Vitruvian's default position is to vote in line with management, but where they are considering voting against or abstaining against management, or supporting shareholder resolutions opposed by management, they will carry out specific diligence including contacting the company before an AGM takes place to ensure full understanding of the matter at stake. In cases where Vitruvian proceed to vote against management, they will document rationale and make this available to the investee company. Given Vitruvian are generally invested in SMEs with low ESG risks profiles, voting activity rarely includes controversial environmental or social votes or shareholder resolutions.

Over 2022, Vitruvian introduced changes to their listed equity monitoring and reporting processes, created a new proprietary public ESG scorecard, and continued to strengthen communication channels between the listed equity investment and ESG team. Their new public scorecard provides a detailed ESG due diligence summary. Based on SASB's materiality map, the scorecard provides a traffic light score indicating the ESG's team position on any potential investment. This includes historic controversies / negative news coverage attached to the company with ESG team recommendations for further diligence.

Cortec Group Fund VII:

As at 31 March 2023, the fund had eight private equity holdings. Cortec does not acquire securities that require it to vote proxies on behalf of its clients. In the event that Cortec does ever hold securities that require it to vote proxies on behalf of its clients, the Chief Compliance Officer shall be notified. In such case, Cortec will vote proxies in a manner that serves the best interests of the Client Funds without regard to the interests of Cortec or related parties, and in accordance with Cortec's fiduciary duty. The Chief Compliance Officer may consult with investment professionals directly involved with the deal or company in order to determine Cortec's decision on the matter.

When any proxy raises material conflicts, whether arising from any material business, personal or familial relationship with senior personnel at a company in question or a material arrangement with any such company, such conflict will be fully disclosed to the Chief Compliance Officer. In the event of a conflict, the Chief Compliance Officer will determine the manner in which such proxies should be voted to achieve the best interests of the clients, which may include disclosure of the facts surrounding any such material conflict to the client for consents before voting. Alternatively, Cortec may retain the services of an independent proxy voting service and may agree to vote in accordance with the recommendations of such service provider.

Warburg Pincus Global Growth Fund:

Warburg has discretionary authority to vote the securities held by its Funds pursuant to its Funds' governing documents. Warburg's policy is to vote securities or proxies of portfolio companies in the best interests of its Funds, consistent with its investment advisory mandate to maximize its Funds' long-term investment returns. The Firm may determine not to take action on proxies relating to short-term cash management.

It is common, that the investments Warburg selects for its Funds will include representation on a portfolio company's board of directors in order to enhance the Firm's oversight and ability to influence the strategic direction and governance of the portfolio company. Given its participation in board matters, Warburg's Funds' best interests are most often served by voting in support of the recommendations of the portfolio company's board of directors.

If a conflict of interest should arise with respect to a portfolio company proxy vote, the Firm will independently review and evaluate the portfolio company proxy proposal and the circumstances surrounding the conflict to determine the vote that would be in the best interest of the Funds. Certain conflicts of interest may be presented to the Advisory Committee of the applicable Fund, which consists of representatives of certain investors in the Fund.

Additionally, Warburg believes that the Firm's interests and those of its Funds are aligned through its own investment in the Funds, and it does not anticipate a situation where its interests would conflict with maximizing long-term investment returns for the Funds.